# Washington State House of Representatives Office of Program Research

## BILL ANALYSIS

## **Capital Budget Committee**

### **HB 1969**

**Brief Description**: Requiring the public works board to submit ranked project lists.

**Sponsors**: Representatives Hawkins, Dunshee, Appleton, Stanford, Takko, Warnick, Magendanz, Fey, Tarleton and Smith.

#### **Brief Summary of Bill**

• Requires the Public Works Board to develop a process for evaluating, numerically rating, and ranking local government project applications based on evaluation factors prescribed in the legislation.

Hearing Date: 2/28/13

Staff: Meg VanSchoorl (786-7105).

#### Background:

#### Public Works Assistance Account.

The Public Works Assistance Account (Account) was established in 1985 to encourage local government self-reliance in meeting public works needs, and assist in financing critical infrastructure projects. Moneys in the Account must be used to make loans and give financial guarantees, and may also be appropriated to provide state match for federal dollars under the Drinking Water State Revolving Fund. Loan repayments and revenues from three tax sources have historically been deposited into the Account.

#### Public Works Financing, Criteria and Process.

The Public Works Board (Board) may make low-interest or interest-free loans from the Account to finance the acquisition, construction, repair, replacement, or improvement of local: bridges, streets, and roads; water systems; storm and sanitary sewage systems; and solid waste facilities, including recycling. For up to a maximum of 15 percent of the biennial capital budget appropriation, the Board may make loans for pre-construction, emergency, and capital facilities planning. Local governments and special purpose districts, except port and school districts, are

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eligible to apply for loans from the Account. The Board may provide technical assistance. Existing debt or financial obligations may not be refinanced.

The Board must consider a number of factors in prioritizing projects: health and safety; unemployment rate; the Puget Sound Partnership Action Agenda; fiscal distress; permitting processes; relative project costs; number of communities served or funding the project; water system health and safety violations; Evergreen community recognition; and relative project benefits.

By November 1 of each even-numbered year, the Board must develop and submit to legislative fiscal committees a prioritized recommended funding list of public works construction projects. The Legislature may remove projects from the list, but may not change the priority order of the Board's recommendations. Funds cannot be obligated by the Board until the Legislature has appropriated funds for a specific list of projects.

#### Public Works Board - Membership.

The Board is staffed by the Department of Commerce and includes 13 voting members: two elected officials and one public works manager representing cities; two elected officials and one public works manager representing counties; three members representing public utility and water-sewer districts; and four members representing the general public.

#### **Summary of Bill**:

Before November 1 of each even-numbered year, the Board is required to submit to appropriate House and Senate fiscal committees a ranked list of projects recommended for funding by the Legislature.

In order to identify high quality projects that merit legislative funding, the Board is required to develop a process for evaluating, numerically rating, and ranking local government applications. The ranked list must be based at least on the following factors, in descending order of priority:

- 1. achieving balanced distribution of funds by geography, system type, and jurisdiction type;
- 2. whether the project is ready to proceed;
- 3. whether the project would affect the health and safety of a large percentage of the affected community's population;
- 4. whether the project is located in an area of high unemployment, compared to the average state unemployment;
- 5. whether the project consolidates or regionalizes systems;
- 6. whether the system is being well-managed in the present and for long-term sustainability; and.
- 7. whether the project promotes the sustainable use of resources and environmental quality.

For each project on the ranked list, as well as projects not recommended for funding, the Board must document the numerical ratings that were assigned to each evaluation factor.

#### **Appropriation**: None.

Fiscal Note: Not requested.

**Effective Date**: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

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